

Mr. Walsh testified that there was a recent proposal for wireless carriers to do so but customer backlash resulted in that proposal being abandoned. IVC believes wireless customers do not want their numbers published and that it is reasonable for IVC to honor their wishes. IVC's position is that it should not publish any such directory or list a subscriber number in a directory published by others, without the customer's expressed consent.

With respect to Section 730.510, Mr. Walsh testified that IVC does not presently have the equipment necessary to record average answer time for operator-assisted calls, calls to its business offices or calls to its repair offices. Therefore, even though IVC believes that it meets these requirements, it does not have the ability to prove compliance without expending large sums of money on equipment or on additional employees whose sole job it is to monitor answer times manually. IVC's position is that such a requirement would be unreasonable in light of the fact that this aspect of the quality of IVC's service is effectively regulated by competition from other wireless carriers.

In addition, Mr. Walsh testified that most if not all of the small ILECs in its service area have requested a limited waiver of the requirements of this section. At the time he filed testimony, Mr. Walsh said these requests were pending in the consolidated dockets 04-0209 et seq., and the small ILECs in those dockets have accepted a settlement proposal from the ICC Staff for a modified application of the rule. Mr. Walsh indicated that IVC would be willing to follow the same procedures identified by the ICC Staff in those dockets in connection with an ETC designation.

With respect to Section 730.535, it is IVC's position that it complies with subsections (d) and (e), but that subsections (a), (b) and (c) are landline system requirements that cannot be applied to wireless service. IVC's position is the similar with respect to Sections 730.540, 730.545, 730.115 and 730.500.

With respect to Section 730.540, wireless services do not require installation or customer premises access. Accordingly, IVC does not see this provision as being applicable in the context of its ETC filing. The equivalent function in a wireless service scenario is the activation of the wireless handset. Mr. Walsh testified that activation is immediate, once the phone is properly programmed and the application process is complete and that the whole activation process typically takes less than 30 minutes.

IVC's position is that if the ICC were to require IVC to report, it would comply; however, IVC would propose that such reporting include any activations that were delayed by over 96 hours, which is the FCC standard guideline for number portability of a landline number being ported into a wireless carrier. IVC draft order at 57.

With respect to Section 730.545, IVC believes these provisions are drafted in the context of fixed, landline services relating primarily to "local loop" issues. In the wireless context, the "local loop" is essentially the subscriber's handset. A single cell site outage would affect all customers in that cell's service area. Accordingly, such an outage, while

rare, would be expected to affect more than 100 customers. IVC believes the metrics in this section are inapplicable in the wireless context. IVC suggests that more appropriate metrics be developed in a rulemaking proceeding after appropriate opportunity for industry comment if the Commission wishes to impose similar requirements on wireless carriers that are designated as ETCs.

With respect to Section 730.115, IVC says wireless-specific reporting measures should be developed in a rulemaking proceeding after appropriate opportunity for industry comment if the Commission wishes to impose similar requirements on wireless carriers that are designated as ETCs, instead of trying to fit wireless services into an ILEC reporting format. IVC is willing to make reasonable reports to the Commission in accordance with specific sections of the rule as indicated in the above testimony to the extent those sections can reasonably be applied to wireless service.

With respect to Sections 730.405, 730.410, 730.415, 730.420, 730.425, 730.430, 730.435, 730.440, 730.445 and 730.450 regarding Call Data Records, Mr. Walsh testified that the IVC MTSO is a digital switch that internally measures traffic and records call data records, and that IVC does not operate a separate recording device. He testified that the IVC MTSO records the data required by code Sections 730.405 and meets the procedures set forth in Sections 730.410 and 730.420.

With respect to Section 730.500 and adequacy of service, Mr. Walsh testified that IVC meets the provisions of this code section as they relate to code section 730.520. He believes the code provision requirements of Section 730.525 which are incorporated into code section 730.500 relate only to requirements for local loop facilities which IVC believes are not applicable in a wireless environment. Similarly, the provisions of subsection (c) of 730.500 relate to local loop facilities, and IVC believes they are not applicable in a wireless environment.

4. Final Positions of Parties

In his rebuttal testimony, Mr. McClerren indicated that he was satisfied with IVC's responses on a significant number of sections of Code Parts 730 and 735, namely 730.305, 730.325, 730.340, 730.400, 730.510 (provided IVC adheres to Docket No. 04-0209 documentation procedures), 730.520, 730.550, 735.80, 735.100, 735.110, 735.120, 735.130, 735.140, 735.170, 735.190, 735.200, 735.220 and 735.230.

He also identified as unresolved the code part sections where IVC had not either indicated that it was meeting the standard or agreed to make changes in order to meet the standard.

Based on his belief that IVC had taken many positive steps to meet Staffs concerns, Mr. McClerren stated in his rebuttal testimony that he would recommend approval of IVC's applications if IVC made certain additional commitments. ICC Staff Ex. 7.0 at 22-24. Mr. McClerren's statement reads, "With IVC's stated acceptance of

the following conditions in their surrebuttal testimony, I will recommend that the Commission approve IVC's petition:

1. In many instances noted herein, IVC has indicated that it "can comply with this requirement." It is appropriate for IVC to affirmatively state that, as a condition for ICC approval of its ETC application, that IVC will comply with those sections it has previously stated it can comply with in this proceeding, and that it will comply with those sections on a going-forward basis.

2. IVC agrees to participate in a rulemaking related to the ETC designation process in Illinois, and further agrees to accept and support the efforts of any collaborative workshops associated with the rulemaking. Staff anticipates that such a rulemaking would focus on cellular companies operating as ETC carriers, and will address the issues of dropped calls or weak signal, which are cellular issues not covered by Part 730. Staff also anticipates that such a rulemaking will be coordinated so that a proposed order will be finished within 6 months of the completion of the instant proceeding. Upon completion of the ETC designation process rulemaking, compliance with Parts 730 and 735 will no longer be required, as the new rule will address the pertinent parts for ETC cellular carriers. IVC should acknowledge that the Commission will consider compliance with newly promulgated rules when filing the state certification of support for rural carriers, pursuant to Section 54.314 of the Code of Federal Regulations, and when making the corresponding determination of whether IVC should retain its eligible communications carrier designation.

3. IVC agrees that, prior to entering into a contract with a customer, IVC will provide a written disclosure to the customer explaining that it will not provide a telephone directory to the customer, as is otherwise required under Code Part 735.180(a) and (d), and that the customer's telephone number will not be published in any telephone directory. IVC shall also obtain a written acknowledgment from the customer that she has received, read and understood the aforementioned notice, and does not object to IVC not providing him/her with a directory, and further does not object to IVC not causing his/her telephone number to be published in any telephone directory. Such disclosure and acknowledgement shall be made in a type face of 10-point or larger, and shall be otherwise clear and conspicuous.

4. IVC states once again, without equivocation, that it will accept carrier of last resort ("COLR") responsibilities upon the failure of the ILEC to continue COLR responsibilities."

In Mr. Walsh's surrebuttal testimony, IVC made the additional commitments, agreements, statements and acknowledgements, and accepted the conditions for ICC approval of its ETC applications, as proposed by Mr. McClerren, with only one point of clarification. IVC Ex. 7.0 at 29. Mr. Walsh also stated that IVC was willing to participate in the proposed rulemaking and to work in good faith with the Staff and other parties to develop appropriate rules for consumer protection and service quality standards for wireless ETCs.

IVC sought clarification that Mr. McClerren was not asking IVC to waive in advance, sight unseen, its right to challenge the appropriateness of positions the ICC Staff might take in the rulemaking workshops in the future. In his final testimony, Mr. McClerren agreed with that clarification.

IITA witness Mr. Schoonmaker also commented favorably regarding IVC's responses to the Code Part 730 and 735 issues. He suggested that IVC should agree to conditions in the final order in this case requiring IVC to comply with the sections that it agreed to comply with. IVC draft order at 61; IITA Ex. 2.0 at 12-13. IVC has made that commitment. Mr. Schoonmaker also commented favorably with respect to the prospect of a rulemaking for consumer protection and service quality standards for wireless ETCs. IITA Ex. 2.0 at 14. IVC has committed to participate in such a rulemaking.

5. Commission Conclusions

Under FCC guidelines, an ETC Applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards.

In the instant proceeding, Staff and IITA raised a number of concerns with respect to IVC's willingness and ability to meet the standards in 83 Illinois Administrative Code Parts 730 and 735.

On rebuttal, IVC provided additional information. In some instances, IVC explained how it already meets those standards. In other instances, IVC made commitments to meet the standards and explained how it would do so. In surrebuttal, IVC made several additional commitments suggested by Staff witness Mr. McClerren. For some Code Part subsections, IVC explained why it regards the standards as inapplicable to cellular carriers.

The Commission concludes that IVC has demonstrated that it will satisfy appropriate consumer protection and service quality standards. This finding is conditioned on IVC's continuing compliance with the commitments it made in the record, including the additional commitments proposed by Mr. McClerren, as set forth above. These standards are the ones the Commission expects IVC to meet or exceed.

With regard to the requirements of Section 730.510 of Part 730, the Commission finds that IVC shall comply with the procedures adopted in the Commission's Order of January 4, 2006, in Docket Nos. 04-0209 et seq.

Lastly, as noted above, some of the commitments made by IVC in this docket involve participation in a future rulemaking proceeding. For clarification, the Commission observes that such a rulemaking proceeding is not actually being initiated by the instant Order.

G. Local Usage/Rate Plans

As indicated above, under FCC guidelines, an ETC Applicant must demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation. The FCC has not adopted a specific local usage threshold. FCC ETC Order at Para 32; 47 CFR §54.202(a)(4).

IVC presented evidence purportedly demonstrating that it offers local usage plans comparable to the service plans offered by the incumbent LECs in the wire centers for which it seeks ETC designation. IVC's existing service plans and rates are set forth in IVC Exhibits 1.3. IVC's existing calling plans, other than the Safe and Sound Plans, include Caller ID, Call Waiting, Call Forwarding and Three-way Calling at no additional charge.

IVC's existing calling plans also include unlimited long distance calling with no additional charge other than airtime minutes. The service allows for a bundle of airtime minutes for a flat-rated monthly charge. IVC currently offers several service plans that include varying amounts of airtime minutes. The different plans have different volumes of minutes and different rates. IVC draft order at 61-62.

IVC proposed a number of new service plans in this proceeding in connection with its request for ETC designation, including two plans which it designated as ILEC-Equivalent Plans and two Lifeline plans with discounted rates and unlimited local usage within a more limited calling scope equivalent to the calling scope offered by the incumbent LECs in its proposed ETC-designated service area.

IVC committed to offer two ILEC-Equivalent Plans based upon the Lifeline Plans discussed above that would more closely mirror the type service offerings that ILEC subscribers currently receive. The first ILEC-Equivalent Plan would be at a rate of \$17.95 and would allow for unlimited outbound calling to any number rated to the service area of a subscriber's underlying ILEC and unlimited inbound calling. Included in this price are call waiting, call forwarding, three-way calling, caller ID and mobility within the IVC cell site or sites that serve the subscriber's home ILEC calling area.

The second plan, priced at \$21.95, includes the same features but offers local calling and mobility throughout the IVC service area. Under both of these ILEC-

Equivalent Plans, the customer would be allowed to presubscribe to an IXC of their choosing.

ICC Staff witness Mark Hanson testified that an ETC applicant, like IVC, must offer rate plans and local usage comparable to the service plans offered by the incumbent LEC in the area. He initially proposed an analysis to determine the appropriate rates and levels of local usage to be deemed comparable to the rates and levels of local usage offered by the incumbent LECs in IVC's proposed ETC-designated service area.

IITA witness Mr. Schoonmaker also suggested that designation of IVC as an ETC would not be in the public interest unless its service plans have rates comparable to those of the incumbent LECs. He also provided on a study area basis the local rates for the IITA members participating in these dockets.

IVC presented a series of rate analyses comparing its existing and proposed rate plans and local usage offerings to those of each incumbent LEC in the proposed ETC-designated service area as IVC Exhibits 5.1, 5.2 and 5.3. IVC says these analyses show IVC's existing and proposed rate plans and local usage offerings compare favorably to those of the incumbent LECs. Mr. Walsh also stated that IVC's rate plans are favorably comparable to the \$20.39 "affordable rate" that the Commission set for Illinois' small, rural telephone companies for Illinois Universal Service Fund purposes in ICC Docket Nos. 00-0233100-0335 Consolidated.

Following IVC's indication of its intent to offer the ILEC-Equivalent Plans, both Mr. Hanson and Mr. Schoonmaker agreed that those IVC service plans compared favorably with those of the incumbent LECs and would bring benefits to Illinois consumers from lower prices. Mr. Hanson testified that the so-called ILEC-Equivalent Plans do satisfy the FCC's requirement that an ETC "demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation."

Therefore, both suggested that the offering of the ILEC-Equivalent Plans be made a condition of the order designating the three IVC Partnerships as ETCs. Mr. Hanson recommended that IVC, on an annual basis, be required to file an affidavit from an officer of the company stating that it is continuing to offer the ILEC-Equivalent Plans. This affidavit should be filed at the same time IVC files any other information for any reporting requirements necessary to maintain ETC status.

Having reviewed the record, the Commission concludes that IVC has demonstrated that it offers local usage plans comparable to the service plans offered by the incumbent LECs in the wire centers for which it seeks ETC designation. The rates IVC proposes are comparable to the individual study area evidence provided by IVC.

In recognition of the parties' efforts to resolve this issue, this Commission finds that that IVC's agreement to offer service plans, which it calls ILEC-Equivalent Plans,

should be a condition imposed upon IVC's applications for ETC designation. IVC has agreed to the inclusion of this condition, and the Commission will impose it in this order.

H. Carrier of Last Resort - Equal Access Requirement

Under FCC guidelines, an ETC Applicant shall certify its acknowledgement that the FCC may require it to provide equal access to long distance carriers if no other ETC is providing equal access within the service area. FCC ETC Order at Para 35; 47 CFR §54.202(a)(5).

IVC acknowledged that the FCC or ICC may require it to provide equal access to long distance carriers if all other ETCs withdraw from the market. Since the majority of IVC's calling plans include long distance calling at no additional charge other than air-time minutes, it does not expect that any customers will wish to select a different long distance provider. If a customer did select such an option, the customer would be responsible for any toll charges that the selected long distance provider imposed.

Mr. Walsh made a commitment on behalf of IVC to offer equal access to long distance carriers in order to allow a subscriber that elects to pay its own toll charges to pre-select its long distance carrier for all toll calls the customer originates. This commitment applies to its ILEC-Equivalent Plans, without regard to whether the ILEC maintained its ETC designation, and in the event the customer's ILEC drops its ETC designation. IVC Ex. 5.0 at 19-20.

The ICC Staff and IITA initially challenged IVC's commitment on this matter; however, based upon IVC's clarification of the commitment, this issue is no longer in dispute.

Having reviewed the record, the Commission finds that the acknowledgement and commitments made on the record by IVC are sufficient to satisfy the subject requirements for purposes of this proceeding.

I. Annual Reporting and Certification Requirements

In paragraph 69 of its ETC Order, and in 47 CFR 54.209, the FCC has identified certain annual reporting requirements in connection with the annual certification of ETCs as follows:

- (1) progress reports on the ETC's five-year service quality improvement plan, including maps detailing progress towards meeting its plan targets, an explanation of how much universal service support was received and how the support was used to improve signal quality, coverage, or capacity; and an explanation regarding any network improvement targets that have not been fulfilled. The information should be submitted at the wire center level;

(2) detailed information on any outage lasting at least 30 minutes, for any service area in which an ETC is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect at least ten percent of the end users served in a designated service area, or that potentially affect a 911 special facility (as defined in subsection (e) of section 4.5 of the Outage Reporting Order). An outage is defined as a significant degradation in the ability of an end user to establish and maintain a channel of communications as a result of failure or degradation in the performance of a communications provider's network. Specifically, the ETC's annual report must include: (1) the date and time of onset of the outage; (2) a brief description of the outage and its resolution; (3) the particular services affected; (4) the geographic areas affected by the outage; (5) steps taken to prevent a similar situation in the future; and (6) the number of customers affected:

(3) the number of requests for service from potential customers within its service areas that were unfulfilled for the past year. The ETC must also detail how it attempted to provide service to those potential customers:

(4) the number of complaints per 1,000 handsets or lines;

(5) certification that the ETC is complying with applicable service quality standards and consumer protection rules, e.g., the CTIA Consumer Code for Wireless Service:

(6) certification that the ETC is able to function in emergency situations;

(7) certification that the ETC is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service areas: and

(8) certification that the carrier acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.

Staff witness Mr. Hoagg identified an additional annual reporting requirement from paragraph 23 of the FCC ETC Order as follows:

In connection with its annual reporting obligations, an ETC applicant must submit] coverage maps detailing the amount of high-cost support received for the past year, how these monies were used to improve its network, and specifically where signal strength, coverage, or capacity has been improved in each wire center in each service area for which funding was received. In addition, an ETC applicant must submit on an annual basis a detailed explanation regarding why any targets established in its five-year improvement plan have not been met.

Mr. Walsh made a commitment on behalf of IVC to comply with all of the annual reporting requirements identified by Mr. Hoagg. IVC Ex. 7.0 at 32.

Having reviewed the record, the Commission concludes that IVC must file reports with the Commission on an annual basis, consistent with IVC's commitment, as described above.

VI. PUBLIC INTEREST ANALYSIS

A. Introduction

In its ETC Order, the FCC encouraged state commissions to implement the FCC's framework for analyzing the public interest so as promote a consistent approach among the states in applying the universal service principles of preserving and advancing universal service and competitive neutrality, and improving the long-term sustainability of the USF. FCC ETC Order at Para 19, 58.

The FCC acknowledged that state commissions may use and have used additional factors in their public interest analysis. The burden of proving whether an Applicant's service is in the public interest is on the Applicant. Finally, the FCC stressed that although it has set forth criteria for evaluating public interest, it and state commissions may conduct the analysis differently, or reach a different outcome, depending on the area being served by the Applicant. *Id.* at Para 40, 43-44, 60.

The FCC indicated that it would continue to balance the following factors in performing its public interest analysis for ETC applicants:

- (1) **Consumer Choice:** The Commission takes into account the benefits of increased consumer choice when conducting its public interest analysis. In particular, granting an ETC designation may serve the public interest by providing a choice of service offerings in rural and high-cost areas. The Commission has determined that, in light of the numerous factors it considers in its public interest analysis, the value of increased competition, by itself, is unlikely to satisfy the public interest test.
- (2) **Advantages and Disadvantages of Particular Service Offering:** The Commission also considers the particular advantages and disadvantages of an ETC's service offering. For instance, the Commission has examined the benefits of mobility that wireless carriers provide in geographically isolated areas, the possibility that an ETC designation will allow customers to be subject to fewer toll charges, and the potential for customers to obtain services comparable to those provided in urban areas, such as voicemail, numeric paging, call forwarding, three-way calling, call waiting, and other premium services. The Commission also examines disadvantages such as dropped call rates and poor coverage.

In addition to the balancing of the foregoing factors, the FCC conducts a "creamskimming" analysis in areas for which an applicant seeks designation below the study area level of a rural telephone company. The FCC compares the population density of each wire center in which the ETC applicant seeks designation to that of the wire centers in the study area in which the ETC applicant does not seek designation. FCC ETC Order at Para 41.

The FCC also suggests that a state commission may consider limiting the number of ETCs due to the strain on the federal USF by examining per-line USF support received by the individual LEC, on a case-by-case approach. The FCC, however, declined to adopt a specific national per-line support benchmark to be applied in analyzing the strain on the federal USF. *Id.* at Para 55-56.

B. Positions of Parties

1. IVC Position

IVC presented evidence intended to demonstrate that designation of the three IVC Partnerships as additional eligible telecommunications carriers in the rural and non-rural exchanges within their respective proposed ETC designated service areas is in the public interest. IVC offers a wide selection of calling plans that offer mobility, a substantially larger calling area than the incumbent landline LECs in the proposed ETC designated area, and long distance calling at no additional toll charge. These plans are available in each wire center within IVC's service area.

As discussed above, IVC has committed to offer reduced rate calling plans, including two ILEC-Equivalent Plans, that include unlimited in-bound and out-bound calling and are comparable to the rate and usage plans offered by the incumbent LEC in its service area. These reduced rate calling plans will be available in each wire center within IVC's service area.

IVC also observes that it is a small, wireless carrier that serves mainly rural areas in the State of Illinois. IVC's FCC-licensed service area is located entirely within Illinois. **All** USF funds that it will receive as an ETC will be expended in connection with new facilities to be constructed in, and that will provide benefits to, rural areas in Illinois. IVC draft order at 71.

IVC has continued throughout the years to expand and improve its network coverage area in the rural portions of its service area, and IVC has committed to make even more network improvements for the benefit of Illinois citizens located or traveling in its rural service area using both USF support and its own capital.

While not every wire center in IVC's proposed ETC designated area will benefit from the new cell towers to be constructed with USF support under its first five-year plan, the vast majority of those wire centers have sufficient coverage from existing IVC

cell sites or from proposed new cell sites that will be constructed using IVC non-USF cash flows and revenues. IVC has committed that the remaining wire centers will receive service enhancements from facilities to be constructed during its next five-year plan.

IVC also offers customer-oriented service features including its 30-day trial period to try out the IVC network at no financial risk. These features are available for customers in each wire center within IVC's service area. IVC also has numerous points of contact to serve the customers needs. In addition to its own customer service offerings, IVC has committed to abide by the same types of consumer protection and service quality standards that the ILECs are subject to. IVC also offers access to emergency services using state of the art processes when consumers are away from their landline phones.

With respect to the long term sustainability of the Universal Service Fund, and the issue of whether the per-line high cost support level in rural telephone company service areas alone should outweigh all other factors in favor of denying competitive ETC designations for study areas served by rural telephone companies, IVC takes the position that the FCC has imposed new more rigorous ETC rules at least in part to protect the long term sustainability of the Fund. Therefore, IVC concludes that denying every competitive ETC designation for rural telephone company areas is neither necessary nor appropriate. IVC draft order at 72.

2. IITA Position

IITA witness Mr. Schoonmaker questioned whether designation of the three IVC Partnerships as ETCs is in the public interest. For example, if IVC does not use USF support, especially in the study areas from which it would receive USF funds, to reach remote areas beyond its existing coverage area, then Illinois consumers will not reap the public benefit commensurate with the public costs. In support of this statement, Mr. Schoonmaker explained on pages 49-50 of his direct testimony:

Under the current environment, when there is more than one ETC, an ILEC that makes the decision to make more investment in telecommunications infrastructure must take into consideration that the increased investment it makes, resulting in additional USF support to the ILEC, will result in more USF support to the competitive ETC. The critical difference is that the ILEC will be getting the funding to recover a portion of the actual cost of the investment already made, while the competitor gets the money as a windfall without any tie to additional investment.

In addition, given that the ILEC no longer has any assurance that high cost customers will remain with the ILEC long enough for it to recover an investment that typically spans 20-25 years (the average service lives for cable and wire plant), there is a disincentive to invest in these longer-term investments. Therefore, the ILEC faces a conundrum or "Catch-22

situation where its investments yield additional support for its competitor, who does not face the same costs, and the ILEC's risk associated with recovering the investment is thereby magnified. This does provide the ILEC a disincentive to invest in additional infrastructure.

Consistent with his position, Mr. Schoonmaker cited the following statement by FCC Chairman Kevin Martin, recognizing this aspect in his concern of using USF to create "competition" in high-cost areas:

I am hesitant to subsidize multiple competitors to serve areas in which costs are prohibitively expensive for even one carrier. This policy may make it difficult for any one carrier to achieve the economies of scale necessary to serve all of the customers in a rural area, leading to inefficient and/or stranded investment and a ballooning universal service fund.
2nd R&O and FNPRM in CC Docket 00-256, 15th R&O in CC Docket 96-45 and R&O in CC Dockets 98-77 and 98-166, released Nov. 8, 2001, Separate Statement of Commissioner Kevin J. Martin.

Mr. Schoonmaker has acknowledged that IVC's ETC proposals have certain favorable qualities, including IVC's commitments to comply with customer service and service quality standards substantially similar or identical to the consumer protection and service quality standards applicable to landline ILECs, IVC's commitment to participate in workshops and a rulemaking specific to such standards for wireless carriers, and IVC's two reduced rate ILEC Equivalent Plans; however, he has not indicated that he believes ETC designation to be in the public interest.

Mr. Schoonmaker's position that ETC designation might not be in the public interest is based on his interpretation of the wire center-by-wire center language from the FCC's ETC Order, and on his suggestion that in order to protect the long term sustainability of the USF if the per line support in the IITA member company wire centers or study areas is sufficiently high, no competitive ETCs should be designated for those wire centers or study areas. IVC draft order at 74.

Mr. Schoonmaker ultimately encouraged the Commission to recognize that the determination of ETC status is something that needs to be done on an individual study area basis, even though there are a large number of study areas that are encompassed in this case. The legal standards in some cases, and the factual situations, vary between companies and study areas, and the Commission needs to focus on those issues related to each individual study area.

Mr. Schoonmaker also emphasized that while the FCC has adopted rules that they have imposed upon themselves to follow, and those rules provide, in many cases, good guidelines for the Commission to follow, such rules are not binding upon the ICC which is free to make its own determinations based on its perception of the "public interest." IVC draft order at 75.

3. Staff Position

Staff recommended that the Commission conduct its public interest analysis broadly along the same lines applied by the FCC, and that analyses conducted at the study area level is not inconsistent with the 1996 Act and the state and federal requirements. Staff Ex. 1.0 at 20.

In Staffs initial analysis, Mr. Hoagg testified that IVC's failure to meet the eligibility requirements discussed in the ETC Order demonstrated that it was not in the public interest to grant IVC's request. Mr. Hoagg's analysis focused on requirements concerning the five-year plan (CFR §54.202(a)(1)(ii)), a commitment to provide service throughout its proposed designated service area to all customers (CFR §54.202(a)(1)(ii)), and annual reports (CFR §54.209).

In rebuttal testimony, Mr. Hoagg stated that IVC had made significant progress in showing it will meet the requirements and conditions for granting an ETC designation, but that its showing was still not satisfactory. Staff Ex. 8.0 at 6-7.

Mr. Hoagg recommended that the Commission grant ETC status upon the condition that IVC satisfies the standards, conditions and requirements proposed by Staff and the ETC requirements in each ILEC study area. In addition, Mr. Hoagg testified that IVC should comply with all applicable statutes and rules. Since IVC agreed to comply with Staffs standards, conditions and requirements, the Staff witnesses agreed that granting the ETC designation would be in the public interest.

In Mr. Hoagg's view, the fact that IVC operates only in rural Illinois is a unique circumstance that the Commission should weigh in conducting its public interest examination. While the potential benefits associated with IVC's "rural Illinois only" operations and orientation cannot be quantified, they can be expected to be tangible. At a minimum, Mr. Hoagg concludes, IVC can be expected to be more cognizant of and responsive to customer needs than they might otherwise be due to their "rural Illinois only" operations.

C. Creamskimming Analysis

1. IVC Position

IVC has proposed a number of re-definitions of rural telephone company service areas to include only specified wire centers for purposes of the IVC RSA 2-11 ETC designation.

IVC is not seeking to redefine the study area for the rural telephone companies. Rather, IVC is seeking only to redefine the LEC service areas for purposes of designating IVC as a competitive ETC. As the FCC explained in *Virginia Cellular*, the proposed service area redefinition would have no impact on the rural LEC reporting or administrative obligations. Specifically, the FCC found that redefining the rural

telephone company service areas would not require rural telephone companies to determine their costs on any basis other than the study area level. The redefinition, therefore, only enables IVC, as an ETC, to serve an area that is smaller than the entire ILEC study area.

The level of support received by the rural ILEC in any given wire center is based on its cost to provide service throughout the ILEC study area. Where, as here, a competitive ETC seeks to only include a portion of the ILEC study area in its ETC service area, there is concern that a competitive ETC may be providing service to only the lower-cost portion of the ILEC study area while receiving support based upon an overall higher average cost that is spread across the entire LEC study area.

Relying upon the Virginia Cellular and Highland Cellular orders, IVC explained how the FCC examined the relative population densities for the portions of the study areas for each LEC that lie within the proposed competitive ETC service area as compared to the population densities of the entire LEC study area. Where the average population density of the wire centers in which a carrier seeks ETC designation is significantly higher than the average population density for the remaining wire centers may reveal whether cream skimming has occurred, i.e. the applicant is seeking to serve only low-cost areas to the exclusion of high-cost areas.

In addition, the FCC has acknowledged that there is no bright-line test for creamskimming, and that the analysis should account for ". . . variations in population distributions, geographic characteristics and other individual factors that could affect the outcome of a rural service area creamskimming effects analysis." ETC Order at Para 53.

In the instant proceeding, IVC RSA 2-1 proposes to redefine the Citizens service area to include only the Thomas (Whiteside CO) wire center for ETC purposes. Mr. Kurtis presented evidence showing that the population density in the IVC RSA 2-1 proposed ETC designated area is 7.43 people per mile as compared to Citizens' study-wide average population density of 35.63 people per square mile. Accordingly, any level of support based upon the entire Citizens study area would have been determined on the average cost of providing service to a population density of 35.63.

The population density within the portion of the Citizens study area that lies within IVC's proposed ETC service area is approximately one-fifth of the population density of the entire Citizens' study area, and the portion of the Citizens' study area which IVC seeks to include in its ETC designated service area would be expected to have a higher cost of service than the average upon which the level of USF support is based. Mr. Kurtis concluded that since the proposed redefined service area represents a population density well below the average population density upon which the level of USF support for the ILEC was based, there would be no creamskimming issue presented by the proposed redefinition of the Citizens service area.

IVC RSA 2-11 proposes to redefine the Mid-Century service area to include only the Lafayette wire center for ETC purposes. The population density in the proposed competitive ETC service area is 9.83 people per square mile as compared to a Mid-Century's study-wide average population density of **14.39** people per square mile. Mr. Kurtis concluded that since the proposed redefined service area represents a population density well below the average population density upon which the level of USF support for the ILEC was based, there would be no creamskimming issue presented by the proposed redefinition of the Mid-Century service area for purposes of designating IVC RSA 2-11 as an ETC in its proposed ETC designated service area.

IVC RSA 2-11 proposes to redefine the Gallatin service area to include only the Lacon wire center for ETC purposes. The population density in the proposed IVC RSA 2-11 service area is 68.04 people per mile as compared to a Gallatin's study area-wide average population density of 108.88 people per square mile.

Mr. Kurtis concluded that since the population density within the portion of the Gallatin study area that lies within IVC's proposed ETC service area is less than two-thirds of the population density of the entire Gallatin study area, the portion of the Gallatin study area which IVC RSA 2-11 seeks to include in its ETC designated service area would be expected to have a higher cost of service than the average upon which the level of USF support is based. Thus, there would be no creamskimming issue presented by the proposed redefinition of the Gallatin service area for purposes of designating IVC RSA **2-11** as an ETC in its proposed ETC designated service area.

In the case of the proposed redefinition of the Frontier-Illinois service area by IVC RSA 2-III, the population density in the proposed IVC service area is 13.7 people per mile as compared to a Frontier-Illinois study-wide average population density of 34.01 people per square mile. Since the proposed redefined service area represents a population density well below the average population density upon which the level of USF support for the ILEC was based, Mr. Kurtis concluded that there would be no creamskimming issue presented by the proposed redefinition of the Frontier-Illinois service area for purposes of designating IVC RSA 2-III as an ETC in its proposed ETC designated service area.

Finally, in the case of the proposed redefinition of the Verizon-South service area, the population density in the proposed CETC service area is 17.8 people per square mile as compared to a Verizon-South study area-wide average population density of 36.75 people per square mile.

Accordingly, Mr. Kurtis concluded that since the population density within the portion of the Verizon-South study area that lies within IVC's proposed ETC service area is less than one-half of the population density of the entire Verizon-South study area, the portion of the Verizon-South study area which IVC seeks to include in its ETC designated service area would be expected to have a higher cost of service than the average upon which the level of USF support is based. Hence, there would be no creamskimming issue presented by the proposed redefinition of the Verizon South

service area for purposes of designating IVC RSA 2-III as an ETC in its proposed ETC designated service area.

2. Staff Analysis

Staff witness Dr. Zolnierrek summarized the FCC's position on such redefinitions and creamskimming as follows:

As part of the public interest analysis for ETC applicants that seek designation below the service area level of a rural incumbent LEC, we will perform an examination to detect the potential for creamskimming effects that is similar to the analysis employed in the Virginia Cellular ETC Designation Order and the Highland Cellular ETC Designation Order. **As** discussed below, the state commissions that apply a creamskimming analysis similar to the Commission's will facilitate the Commission's review of petitions seeking redefinition of incumbent LEC service areas filed pursuant to section 214(e)(5) of the Act. FCC ETC Order at Para 48.

According to the FCC, creamskimming arises when an ETC seeks designation in a disproportionate share of high-density wire centers in an incumbent LEC's service area. Dr. Zolnierrek noted that a creamskimming analysis is unnecessary for ETC applicants seeking designation below the service area level of non-rural incumbent LECs. Therefore, his analysis is limited to the wire centers in the rural service areas.

Dr. Zolnierrek conducted an independent creamskimming analysis of the population per square mile for each of the wire centers located within the IVC proposed ETC-designated service area, including the Citizens wire center included in the proposed ETC designated area of IVC RSA 2-I, the Gallatin and Mid-Century wire centers included in the proposed ETC designated area of IVC RSA 2-11, and Frontier Illinois and Verizon South wire centers included in the proposed ETC designated area of IVC RSA 2-III.

With respect to each such wire center, the average population density of the portion of the rural telephone company service area that IVC proposes to include as part of its designated ETC area is below the average population density of the portion of the rural telephone company service area that IVC does not propose to include as part of its designated ETC area, and is also below the average population density of the entire rural telephone company service area. Therefore, Dr. Zolnierrek concluded that there were no potential creamskimming issues related to IVC's proposal to redefine the service areas of RSA 2-1, RSA 2-11 and RSA 2-III.

D. Commission Conclusions

The Commission has been given broad discretion in analyzing whether the designation of additional carrier as an eligible telecommunications carrier in a given

area, thereby allowing the carrier to seek Universal Service funding support, is in the public interest.

In this regard, the parties and Staff have agreed, and the Commission concurs, that the federal guidelines as described in the FCC's ETC Order should be the minimum guidelines applied in this proceeding. Section 214(e)(2) of the Federal Act of 1996 places special emphasis on areas served by rural carriers. It provides, in part, "Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State commission shall find that the designation is in the public interest."

As indicated by the parties and discussed above, a public interest analysis in the context of ETC applications involves the balancing of a number of factors.

One such factor is the benefits of increased customer choice, although that value alone is unlikely to satisfy the public interest test. In the instant proceeding, the designation of IVC as an ETC will increase customer choice in the areas requested.

Another set of factors is the advantages and disadvantages of the particular service offering. In terms of benefits, IVC's offering will provide mobility, the possibility of fewer toll charges, increased availability of some "premium" services, and increased access to emergency services.

With regard to disadvantages such as dropped call rates and poor coverage that can be associated with wireless service, IVC has committed to undertake substantial network improvements intended to improve coverage in rural areas. IVC's various commitments to service quality will also serve to minimize these disadvantages and will provide this Commission with information necessary to monitor its performance.

Another disadvantage identified by Staff witness Mr. Hoagg is that adding ETCs in the study areas of rural carriers has the probable effect of increasing the costs to the existing ETC by reducing the number of lines served by the existing rural LEC and, consequently, the number of lines over which the fixed costs of the rural LEC can be spread. On the other hand, because IVC is an Illinois-specific carrier, whatever network investment it makes will likely benefit rural customers.

As noted above, as part of the public interest assessment in this docket, creamskimming analyses were performed. Such an analysis is relevant where, as here, a competitive ETC seeks to only include a portion of the ILEC study area in its ETC service area. The concern is that a competitive ETC may be providing service to only the lower-cost portion of the ILEC study area while receiving support based upon an overall higher average cost that is spread across the entire LEC study area.

Staff witness Dr. Zolnierrek explained that creamskimming arises when an ETC seeks designation in a disproportionate share of high-density wire centers in an incumbent LEC's service area. He stated that a creamskimming analysis is

unnecessary for ETC applicants seeking designation below the service area level of non-rural incumbent LECs. Therefore, his analysis is limited to the wire centers in the rural service areas.

Dr. Zolnierrek conducted an independent creamskimming analysis of the population per square mile for each of the wire centers located within the IVC proposed ETC-designated service area. With respect to each such wire center, he found that the average population density of the portion of the rural telephone company service area that IVC proposes to include in its designated ETC area is below both (1) the average population density of the portion of the rural telephone company service area that IVC does not propose to include, and (2) the average population density of the entire rural telephone company service area.

Therefore, Dr. Zolnierrek concluded, and the Commission agrees, that there are no potential creamskimming issues related to IVC's proposal to redefine the service areas of RSA 2-I, RSA 2-11 and RSA 2-III.

Based on the record, and subject to the commitments and conditions found appropriate herein, the Commission concludes that the three IVC Partnerships have shown that their designation as additional ETCs is in the public interest for each of the ILEC service areas within their proposed ETC designated areas.

For purposes of the instant dockets, this public interest finding is made with respect to both the rural telephone company and non-rural telephone company service areas contained in whole or in part within the IVC-proposed ETC-designated service areas. While the FCC indicated that the public interest analysis could be conducted or concluded differently depending upon whether the area served was that of a rural or non-rural telephone company, the Commission need not determine in this Order whether to apply the public interest analysis differently as between rural and non-rural telephone company areas.

VII. OVERALL CONCLUSIONS

As explained above, the Commission has found that the requirements in Section 214(e) of the Federal Act of 1996 and the FCC's ETC Order and rules provide appropriate minimum guidelines for this Commission in evaluating the ETC applications in this proceeding.

In view of the determinations on the issues made above, which will not be repeated here, and subject to the commitments and conditions found appropriate herein, the Commission finds that each of the three IVC Partnerships has made the necessary showings contemplated in Section 214(e) and the FCC's ETC Order and rules. Accordingly, they should be designated as eligible telecommunications carriers in each of the requested study areas for purposes of receiving federal Universal Service Fund support, subject to the conditions imposed below.

The Commission also observes that the findings herein are based on the record in this proceeding, and in large part are reflective of the eventual concurrence of the parties on ultimate conclusions. As such, the findings are not intended to create any presumptions with respect to any future applications for designation as ETCs.

VIII. COMMITMENTS AND CONDITIONS

The three IVC Partnerships have made a number of voluntary commitments that are discussed in this Order and are listed below. Staff, and in some instances IITA, have recommended that these commitments be made conditions to the Order.

The Commission concludes that the commitments set forth below are necessary and appropriate conditions with which Applicants should comply in connection with their designation as eligible telecommunications carriers, and specifically the public interest analysis. Accordingly, the Commission adopts each of the following commitments as conditions to this Order and to the ETC designation granted to each of the Applicants.

1. Each of the three IVC Partnerships shall comply with the Illinois Wireless Emergency Telephone Safety Act and 83 Ill. Adm. Code Part 728, including future amendments thereto subject to the caveat and additional commitments set forth in this Order. The IVC Partnerships shall notify the Commission if a conflict arises in the future between federal and Illinois law regarding the wireless **9-1-1** service due to a change in either Illinois or federal law.
2. Each of the three IVC Partnerships shall advertise to the public in their respective ETC-designated area the fact that it is offering the supported universal services and the charges for those services in local circulation newspapers in each Applicant's serving areas no less than twice annually. Each shall also post such information on its website and shall have informative brochures regarding such service available in each of its retail locations and each of its authorized agent locations.
3. Each of the three IVC Partnerships shall offer Lifeline and Link-Up services and advertise the availability of such services consistent with the advertising requirements set forth in Condition 2 above. In addition, each IVC Partnership shall disseminate information regarding its Lifeline and Link-Up Services in locations where qualified, unserved consumers are likely to find such information useful, such as unemployment and welfare offices within its ETC designated service area.
4. Each of the three IVC Partnerships shall provide Lifeline subscribers "equal access" to interexchange carriers of their choice subject to the caveat that the subscribers shall be responsible to pay its toll charges directly to the selected IXC.

5. Each of the three IVC Partnerships shall abide by its commitment to provide service throughout its ETC-designated service area to all customers who make a reasonable request for service using the standards set forth in paragraph 22 of the FCC ETC Order. Specifically, if IVC's network already passes or covers the potential customer's premises, IVC shall provide service immediately.

If a request comes from a potential customer within IVC's ETC designated area but outside its existing network coverage or where signal strength is weak, IVC will provide service within a reasonable period of time if service can be provided at a reasonable cost utilizing one or more of the following methods: (1) modifying or replacing the requesting customer's equipment; (2) deploying a roof-mounted antenna or other equipment; (3) adjusting the nearest cell tower; (4) adjusting network or customer facilities; (5) reselling services from another carrier's facilities to provide service; or (6) employing, leasing, or constructing an additional cell site, cell extender, repeater, or other similar equipment. Finally, if IVC determines that it cannot serve the customer using one or more of these methods, then IVC will report the unfulfilled request to the Commission within 30 days after making such determination.

6. Each of the three IVC Partnerships shall abide by its commitment to comply with 83 Ill. Adm. Code Sections 730.325 and 730.550 with regard to Emergency Power Requirements and Notification to the Commission of Minor and Major Outages as set forth in this Order.

7. Each of the three IVC Partnerships shall abide by its commitment to participate in any rulemaking proceeding to be initiated by the Commission with respect to consumer protection and service quality standards for wireless ETCs as discussed and set forth in this Order.

8. Until such time as the Commission shall enter a final order implementing an administrative rule regarding consumer protection and service quality standards for wireless carriers that are designated as eligible telecommunications carriers, each of the three IVC Partnerships shall comply with and meet the standards otherwise applicable to local exchange carriers contained in the following sections of 83 Ill. Adm. Code Parts 730 and 735, including making necessary changes to its existing practices to meet certain of such standards, and subject to the caveats with respect to certain of such standards as discussed in this Order. The subsections subject to this commitment are:

- Section 735.70 except 735.70(b)(1)(G)--Customer Billing;
Section 735.80--Deferred Payment Agreements;
Section 735.100 except 735.100(e)--Applicants Service;
Section 735.110--Present Customers Regarding Deposits;

- Section 735.120--Deposits;
- Section 735.130--Continuance of Service;
- Section 735.140--Illness Provision;
- Section 735.150 except 735.150(d)--Payment for Service;
- Section 735.160 except 735.160(d)--Past Due Bills;
- Section 735.170--Service Restoral Charge;
- Section 735.190--Dispute Procedures;
- Section 735.200--Commission Complaint Procedures;
- Section 735.220--Second Language;
- Section 735.230--Customer Information Booklet;
- Section 730.510 (using the documentation and reporting procedures for small ILECs set forth in Consolidated Docket Nos. 04-0209, et seq.)--Answering Time regarding Operator and Business and Repair Office Answer Times;
- Section 730.520--Interoffice Trunks;
- Section 730.535(d) and (e)--Interruptions of Service;
- Section 730.540--Installation Requests;
- Section 730.305--Maintenance of Plant and Equipment;
- Section 730.340--Incorporation of National Codes and Standards Regarding Grounding and Bodily Maintenance;
- Section 730.440--Provisions for Testing Regarding Testing Facilities;
- Section 730.405--Call Data Records;
- Section 730.410--Call Data Reading Intervals;
- Section 730.420--Call Data Reporting Equipment Requirements;
- Section 730.500 (only as it relates to Section 730.520)--Adequacy of Service.

9. Each of the three IVC Partnerships shall, prior to entering into a contract with a customer, provide a written disclosure to the customer explaining that it will not provide a telephone directory to the customer and that the customer's telephone number will not be published in any telephone directory. At such time the IVC Partnership shall obtain a written acknowledgement from the customer indicating that the customer has received, read and understood the aforementioned notice and does not object to the Partnership not providing him/her with a directory and further indicating that he/she does not object to Applicant not causing his/her telephone number to be published in any telephone directory. Such disclosure and acknowledgement shall be made in a typeface of 10 Point, or larger, and shall be otherwise clear and conspicuous.

10. Each of the three IVC Partnerships shall offer its proposed "ILEC Equivalent Service Plans" with unlimited in-bound and out-bound local usage as described in this Order, provided this condition does not require the IVC Partnerships to offer such service at any particular rate after the fifth anniversary of the effective date of this Order. Prior to such fifth

anniversary the IVC Partnerships shall offer ILEC Equivalent Service Plans at the rates identified in this Order.

11. Each of the three IVC Partnerships shall provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.

12. On or before August 1 of each year, each of the three IVC Partnerships shall submit reports to the Manager of the Commission's Telecommunications Division certifying, reporting and providing information as required by paragraphs 23 and 69 of the FCC ETC Order and 47 CFR §54.209, and discussed in the instant Order. To the extent that any such information is proprietary, it may be submitted and shall be treated as proprietary and confidential under appropriate motions.

13. Each of the three IVC Partnerships shall provide prior written notice to the Commission of any material changes in the respective Applicant's five-year investment plan.

14. Each of the three IVC Partnerships will provide, on an annual basis, detailed explanations, as set forth in the ETC Order, in the event any targets of IVC's five-year plan are not met.

15. Each of the three IVC Partnerships shall abide by its carrier of last resort commitments if and to the extent that the incumbent ILEC in one or more wire centers relinquishes its ETC designation.

16. Each of the three IVC Partnerships will comply with all applicable statutes and rules affecting ETC status and obligations thereunder.

IX. FINDINGS AND ORDERING PARAGRAPHS

The Commission, after reviewing the record herein, is of the opinion and finds that:

- (1) Illinois Valley Cellular RSA 2-I Partnership, Illinois Valley Cellular RSA 2-II Partnership, and Illinois Valley Cellular RSA 2-III Partnership are Illinois partnerships and providers of CMRS services in Illinois;
- (2) the Commission has jurisdiction over the Applicants and the subject matter of this proceeding;
- (3) the recitals of fact set forth in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;

- (4) the conditions found appropriate in this Order should be imposed in connection with the ETC designations to be granted herein, and the granting of such designations are subject to compliance with those conditions:
- (5) IVC RSA 2-1 Partnership should be designated as an Eligible Telecommunications Carrier for purposes of receiving support from the Federal Universal Service Fund with respect to the designated ETC service area shown in IVC 2-1 Exhibit 2.1, including the wire centers listed in IVC 2-1 Exhibit 2.3, copies of which were attached to IVC's draft order filed December 29, 2005 as Appendices A1 and A2;
- (6) IVC RSA 2-11 Partnership should be designated as an Eligible Telecommunications Carrier for purposes of receiving support from the Federal Universal Service Fund with respect to the designated ETC service area shown in IVC 2-11 Exhibit 2.1, including the wire centers listed in IVC 2-11 Exhibit 2.3, copies of which were attached to IVC's draft order as Appendices B1 and B2;
- (7) IVC RSA 2-111 Partnership should be designated as an Eligible Telecommunications Carrier for purposes of receiving support from the Federal Universal Service Fund with respect to the designated ETC service area shown in IVC 2-111 Exhibit 2.1, including the wire centers listed in IVC 2-111 Exhibit 2.3, copies of which were attached to IVC's draft order as Appendices C1 and C2.

IT IS THEREFORE ORDERED that Illinois Valley Cellular RSA 2-1 is hereby designated, effective as of the date of this Order, as an eligible telecommunications carriers for purposes of receiving federal Universal Service support in the ETC-designated service areas depicted in IVC 2-1 Exhibit 2.1, including the wire centers listed in IVC 2-1 Exhibit 2.3, pursuant to Section 214(e)(2) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED that Illinois Valley Cellular RSA 2-11 is hereby designated, effective as of the date of this Order, as an eligible telecommunications carriers for purposes of receiving federal Universal Service support in the ETC-designated service areas depicted in IVC 2-11 Exhibit 2.1, including the wire centers listed in IVC 2-11 Exhibit 2.3, pursuant to Section 214(e)(2) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED that Illinois Valley Cellular RSA 2-111 is hereby designated, effective as of the date of this Order, as an eligible telecommunications carriers for purposes of receiving federal Universal Service support in the ETC-designated service areas depicted in IVC 2-111 Exhibit 2.1, including the wire centers listed in IVC 2-111 Exhibit 2.3, pursuant to Section 214(e)(2) of the Telecommunications Act of 1996.

IT IS FURTHER ORDERED that Illinois Valley Cellular RSA 2-I, Illinois Valley Cellular RSA 2-II and Illinois Valley Cellular RSA 2-III shall comply with the conditions set forth in Section VIII of this Order.

IT IS FURTHER ORDERED that the proposed redefinition of the Citizens Telecom Co. Illinois - Frontier Citizens - IL service area to include only the Thompson (White CO) wire center for purposes of designating Illinois Valley Cellular RSA 2-I as an ETC is hereby certified to the FCC as appropriate, and IVC is hereby authorized by this Commission to take all necessary steps to seek FCC concurrence in said service area redefinition for ETC designation purposes.

IT IS FURTHER ORDERED that the proposed redefinition of the Mid-Century Telephone Cooperative service area to include only the Lafayette wire center and of the Gallatin River Communications service area to include only the Lacon wire center for purposes of designating Illinois Valley Cellular RSA 2-II as an ETC is hereby certified to the FCC as appropriate, and IVC is hereby authorized by this Commission to take all necessary steps to seek FCC concurrence in said service area redefinitions for ETC designation purposes.

IT IS FURTHER ORDERED that the proposed redefinition of the Verizon South, Inc. - IL service area to include only the Danforth, Cissna Park, Woodland, Milford, Stockland and Wellington wire centers and of the Frontier Communications of Illinois, Inc. service area to include only the Cullom, Kempton and Saunemin wire centers for purposes of designating Illinois Valley Cellular RSA 2-III as an ETC is hereby certified to the FCC as appropriate, and IVC is hereby authorized by this Commission to take all necessary steps to seek FCC concurrence in said service area redefinitions for ETC designation purposes.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this order is final: it is not subject to the Administrative Review Law.

By order of the Commission this 19th day of April, 2006.

(SIGNED) CHARLES E. BOX

Chairman

ATTACHMENT - 2